

MEMO

DATE: June 08, 2010

TO: Mayor and City Council Members

FROM: Tom Hardy, City Manager

RE: 2010-11 Fiscal Year Budget

SUMMARY

Since October, 2008, the economic challenges facing the City, the state and our nation have deepened. Two years ago, when we adopted our 2008-09 fiscal year budget, the economy seemed to be pretty much “business as usual,” with the exception that residential and commercial construction had started to slow. In September, 2008, the federal government announced the potential meltdown of the financial system, followed by adoption by Congress of a \$700 billion bailout package to rescue AIG, prop up Fannie Mae and Freddie Mac, infuse dollars throughout the banking industry, and try to prevent a global economic meltdown. The Troubled Asset Relief Program (TARP) was quickly followed by a deep recession, with new car sales plummeting almost 40%, real estate values declining, many homeowners under water with their mortgages, and people generally tightening their belts and severely constraining the purchasing which had taken place over the past several years. Predictably, sales tax revenues in Bountiful and throughout the state of Utah declined, as did corporate and individual income taxes.

A year ago, when we adopted our 2009-10 fiscal year budget, we tried to account for the recession, by assuming that the economic recession had reached bottom, but would not improve for the next 12 months. In fact, the City, the state and our nation had not reached bottom. Unemployment continued to increase, while sales tax receipts and income tax receipts continued to decline. The past several months have been uneven, but it appears that we have found a new “bottom” to the economic recession. However, there is significant uncertainty as to how soon, how quickly, and how permanently the economy is going to improve. Several uncertainties remain in the financial markets which are driving the stock market down and making economic recovery challenging:

1. The debt crisis in Europe resulting in the “bailout” of Greece with potential structural deficit problems in Spain, Portugal and Ireland.

2. Concern that commercial real estate could go through the same cycle as residential real estate, where many commercial real estate mortgages are shorter in term and rely on refinancing on a more frequent basis, with potentially a significant amount of commercial real estate “under water,” with more owed on the project than the project is worth.
3. Uncertainty with regard to the federal deficit, which continues to increase and which is crowding out significant private development.
4. Increased federal regulation, including adoption of a comprehensive health care package and potential other programs such as a “cap and trade” program that will increase the cost of doing business.
5. The reluctance of the consumer, given the above conditions, to open the wallet and spend money to increase consumption, thus increasing employment and production.

By law, the State of Utah and its political subdivisions are required to adopt balanced budgets. States and cities throughout the United States continue to suffer from fiscal distress, but the state of Utah adopted a budget balanced with regard to revenues and expenses, utilizing almost half of their “rainy day” fund and implementing an increase in the cigarette tax in order to adopt a balanced budget.

Against this troubled and uncertain economic background, Bountiful City has prepared its 2010-11 budget. Bountiful’s sales taxes have decreased almost 20% since the high of 2007-08, with a loss of almost \$1.6 million in revenue to the general and capital improvement funds of the city. Building activity in Bountiful has all but halted, in both commercial and residential sectors. Bountiful has seen a decline in the number of businesses, with some businesses unable to survive the severe economic downturn. Cars sales, long a staple of the sales tax base of Bountiful City, have experienced severe volume declines, although it appears that the 40% decline is starting to soften somewhat. In order to adopt a budget that is both responsible and realistic, Bountiful City is proposing to its citizens a budget that is virtually identical to last year’s budget. The budget assumes that the economic recession will not deepen over where it currently is, but will not improve significantly before June 30, 2011, when the next fiscal year ends. The proposed budget before the City Council for consideration tonight is \$55,478,895. In order to meet the City’s capital funding requirements as well as keep the City living within its means, the budget contemplates a \$4,000,000 transfer from reserves, \$3,000,000 of which will come from power department reserves to pay for needed capital improvements. However, no one-time money is being used to pay for ongoing expenses.

THE 2010-11 BUDGET DOES NOT INCLUDE ANY INCREASES IN PROPERTY TAXES OR UTILITY RATES

Bountiful has for many years enjoyed the enviable position of having the lowest property tax rate of any of the 25 largest cities in the state of Utah. Bountiful has one of the lowest property tax rates in Davis County. Bountiful’s utility rates – electric, water, garbage, storm drainage, and

recycling –are lower, on a combined basis, than any other city in Davis County and among the lowest in the state of Utah. Residents pay less in Bountiful for city services than they would pay in Salt Lake, Ogden, Orem, West Valley, Sandy, West Jordan, St. George, Layton, and any of the cities in Davis County. Additionally, most Bountiful residents enjoy the advantages of “secondary” water, also known as “Weber Basin” water, which allows most Bountiful residents to utilize unlimited amounts of non-culinary, irrigation water during the months of April through October. Taken together, these low taxes and utility rates result in savings of hundreds, and in some cases, thousands of dollars annually to Bountiful residents and businesses.

The 2010-11 budget does not include any increase in taxes or utility rates. However, the City is pursuing an air quality permit from the state of Utah to install approximately 25 megawatts of gas-fired generation on 200 West. This project will cost approximately \$25,000,000. It is anticipated that the city will be able to fund \$10,000,000 toward completion of the project, with a balance -- \$15,000,000 – being raised by a bond issue, which will result in a rate increase of approximately 5%. The air quality permit could be issued, after review by the Utah Department of Air Quality and the federal Environmental Protection Agency, in the September-October time frame. If the air quality permit is approved, and all reviews have been completed, it is anticipated that bonding could take place by the end of 2010, and the rate increase would be effective January 1, 2011.

The 2010-11 budget does not include any cost of living adjustment for Bountiful City employees. Bountiful City employees will also be expected to pay more for less medical insurance, as both deductibles and out-of-pocket maximums are increasing. This is the second year that Bountiful City employees have been asked to pick up increased medical costs without receiving any cost of living adjustment. Numerous part time positions have been eliminated and some full time positions that have or will become vacant due to retirement or resignation will be held open in order to balance the budget.

The 2010-11 budget has been prepared, designed and reviewed to be “right sized” for a tough recessionary time in the same way that our citizens are getting through – by decreasing expenses to match decreased income, and living within our means to be a “pay as you go” city.

A BUDGET “PRIMER”

Bountiful, like every other city and town throughout the state of Utah, is required to adopt a budget for a fiscal year which begins July 1 and ends June 30. The budget must be balanced with regard to revenues and expenses. Additionally, by state law municipal budgeting is to be done by “funds” which aggregate municipal activities into certain types of functions. In Bountiful, there are three general types of “funds.” The first type is known as “governmental” funds and represents the activities that are paid for predominantly out of the general taxes of the City, as opposed to being funded through user charges. The primary services received through these general funds include police, fire, streets, engineering, parks, planning and administrative services provided by the City. The second types of fund is “enterprise” or proprietary funds

which are used primarily for the City's utilities and other activities which are paid for almost exclusively by the user of those services. The amount charged is based on the amount used. Examples of these activities include water, electric, storm drainage, garbage collection and landfill operations, as well as cemetery and golf course services. The last type of funds is known as "intra-governmental service funds", which are used to pay for activities provided to all departments of the City, and where funds are collected from each department and aggregated together into one budget. Examples of these funds include the City's liability insurance, worker's compensation, and computer maintenance services. Included in this category is the "Recreation Arts and Parks tax (RAP)" fund, which the City uses to account for money collected and remitted to Centerville City for construction of a new cultural arts facility for the south end of Davis County, which should be finished by the end of this year.

By mandating how governments budget, cities are able to compare their activities and expenses by function with other governmental entities throughout the state. A central data base of the activity is compiled by the State, so these comparisons can be easily made. This allows for quantitative metrics to compare the efficient (costs) and effectiveness (results) of different city functions.

BUDGET HIGHLIGHTS – REVENUES

Most people assume that Bountiful City government, like most other governments, is funded primarily through taxes. While taxes account for the largest sources of revenue at the federal, state, county and school district levels, the largest amount of revenue Bountiful receives is from user fees, where citizens pay according to the level and amount of service they wish to receive. In the 2010-11 budget, user fees account for \$36.1 million or 65% of the total City budget. Taxes fund \$11.7 million, or 21% of the 2010-11 budget. Reserves will fund \$4,000,000, or 7% of the 2010-11 budget.

The City has no general obligation debt. However, the City does have lease obligations for municipal facilities that have been built, and which are paid for by those benefitting from the facilities. For example, the City built a parking structure at the Renaissance Town Center, and the cost of the parking structure is being paid back over time from property taxes collected from the benefiting property owners of the medical office building and other buildings that have been constructed in the Renaissance Town Center area. The City also has a lease with the State of Utah for approximately half of the public safety building which the state is paying off over time.

As the budget summary indicates, while user fees provide 90% of the enterprise or business operations budget of the City, taxes provide 66% of all of the general government operations.

BUDGET HIGHLIGHTS – EXPENDITURES

The largest expenditure of funds is to operate and maintain the current services and infrastructure of the City. Bountiful is substantially "built out" or developed, with almost all of the necessary public infrastructure in place, so it is not unusual or exceptional that most of the City's budget

would go to operating and maintaining the services and utilities provided to the 45,000 citizens of Bountiful. The City will spend \$45.6 million, or 82% of the total budget next year to properly fund the operations and maintenance of the City. Additionally, the City will spend \$7.2 million, or 13% of the 2010-11 budget for capital projects. Finally, the budget includes a transfer of funds from the power fund to the general fund. This transfer represents 10% of electric metered sales, and has not increased over the past 12 years. In fact, all of the increases in power rates over the last 12 years have been driven solely by the increased cost of purchasing power and operating the electrical power system. Again, there is no increase in power rates for this year for either purchased power or system operation. However, there may be an increase if the air quality permit from the state is approved.

A PRIMER ON TAXES

Citizen surveys conducted in the past several years indicate a general lack of understanding among the taxpaying public about how much they pay in taxes and where the money they pay in taxes goes. As the attached chart indicates, the average income for the 2008 return year for all households in Bountiful was \$72,000, with average taxes paid per household of \$7,843. However, for married households filing a joint return, which represent approximately 60% of all households in Bountiful, the average income was \$95,000 and paid an average of \$10,848 in income tax. Bountiful's average adjusted gross income per household was higher than both Davis County and the State of Utah.

The average household pays a variety of federal, state and local taxes. The largest amount of taxes, not surprisingly, is paid to the federal government. Interestingly, the largest amount of taxes paid by most citizens is the Social Security/Medicare tax, half of which is paid by the individual taxpayer, and half of which is paid by the taxpayer's employer. Because the employer pays half the amount and the employee has the other half withheld from his check, he does not fill out any sort of paper work such as a tax return on the withholding. This tax tends to be "invisible" but it represents the largest single source of income to the federal government. All of the money that goes to the federal government from the payment of Social Security and Medicare withholding is used to pay current benefits, and to show a reduction of the federal deficit "on paper." None of the money that is collected is set aside to pay for future benefit obligations. The federal government's actuarial obligations for current and future beneficiaries of both the Social Security system and the Medicare system are astronomical, and both systems are projected to be unsustainable within the next 5-10 years. Unfortunately, both the administration and the congress has been unwilling to own up to this dire financial condition even though both parties acknowledge that the sustainability of so-called "entitlement" programs of the federal government – Medicare, Medicaid and Social Security – are simply impossible to maintain without huge increase in taxes or significant decreases in benefits. The bottom line is that the federal government has simply promised more to its citizens than it has the ability to pay.

The second largest tax paid by the average Bountiful family is federal income tax. That money goes to the federal government for use in the general operations of the government, the largest

expenses of which are social programs such as Medicaid, national defense, interest on the national debt, and other federal expenses. Unfortunately, even with the large amount of taxes collected from Bountiful residents for federal programs, the federal government is running a huge deficit, which approached \$1.9 trillion last year, and is projected to be \$1.6 trillion this year. In fact, almost 40¢ of every dollar that the federal government is spending is being borrowed, and the projected budget deficit for fiscal year 2011 is \$1.6 trillion even without expenditures for these stimulus programs and other budget-busting proposals. The citizens of Bountiful, together with the citizens of the rest of this nation, should be extremely concerned about our federal government's inability to balance its budget and live within its means. With 75% of all taxes paid by Bountiful citizens going to the federal government, it is difficult to believe that the federal budget is so out of balance.

At the state level, the largest tax paid by Bountiful families is personal income tax. Both personal and corporate income taxes in the state of Utah are dedicated to the uniform school fund to assist in paying for the cost of public education in the state. Sales tax is the second largest source of taxes paid to the state, and goes to fund the general operations of state government. Finally, gas taxes and vehicle registration fees go to fund road construction, maintenance and repair throughout the state. Overall, state taxes account for 18% of all taxes paid by an average Bountiful family.

At the local level, the largest tax paid to government is property tax. Property tax is primarily used to fund education. Statewide, education receives 56% of all property taxes paid, while counties receive 18%, cities 14% and Special Districts 12%. In Davis County, however, the Davis County School District receives 64% of all property taxes paid, while Davis County receives 19%, Bountiful City 8%, and the Special Districts in the County receive 9%. Comparing Bountiful to the rest of the state, tax payers pay a proportionately larger amount of their property tax to the Davis County School District and Davis County, while paying less to Special Districts, and almost half the average state-wide city percentage to Bountiful City.

Bountiful City property taxes have been and continue to be kept low by the City Council. As the attached chart indicates, the average of the largest cities in the state is over double what the Bountiful property tax collection is, and even in Davis County, which has smaller cities that provide fewer municipal services, Bountiful's rates are still almost 50% below the average. Given this year's property tax rates, the average home in Bountiful valued at \$250,000 will pay \$1,542 in property taxes. Of that amount, \$130, or 8%, stays here in Bountiful. The balance goes to other taxing entities. Again, the 2010-11 budget has no property tax increase proposed.

While sales taxes go predominantly to the state of Utah (4.7%), Bountiful does receive 1.1% of the total retail sales tax rate of 6.6%. The balance of sales taxes goes to the Utah Transit Authority (.55%) and Davis County (.25%). Gasoline taxes are imposed by both the federal and the state government, with the federal government receiving 18.5¢ per gallon and the state government collecting 24.5¢ per gallon. These amounts have not been changed for at least 15 years, during which time the retail price of gas has more than doubled. With the increased

number of miles driven being offset by increased fuel efficiency of new vehicles, the overall revenue from gasoline tax has not increased to either the federal government or the state government over the past 15 years. The 2010-11 budget assumes that there will be any increase in sales or gasoline taxes in the next year.

FUNDING GENERAL GOVERNMENT OPERATIONS

Bountiful's governmental funds receive the majority of their money through taxes. The largest single tax which the City receives is sales tax. Local sales tax in the state of Utah is distributed 50% on the basis of population and 50% on the basis of point of sale. Bountiful's retail base has not kept pace with the income level of its citizens, and many of Bountiful's citizens shop elsewhere for goods and services they purchase. This situation has been exacerbated over the past several years as the Costco project has been fully developed adding many general retail, restaurant, specialty retail and home improvement stores, all of which have decreased Bountiful's retail base. Because of increased competition from big box stores and national restaurant chains, many of the smaller stores and restaurants that made up Bountiful's traditional retail base have gone out of business. Another challenge facing Bountiful is that Bountiful's population has not grown as rapidly as the statewide population, so the amount distributed to Bountiful on the basis of population continues to diminish as other areas grow more rapidly.

The second largest source of tax revenue is what is known as "franchise" taxes, primarily include the energy sales and use tax which is 6% of the retail sale of electricity and natural gas. However, there are also taxes applied to cell phones, cable TV and land-line based telephone services. The City expects to receive \$3.3 million from these taxes in the 2010-11 fiscal year.

Finally, the City receives \$2.4 million in property taxes which comprise approximately 20% of all taxes received by Bountiful.

As a public power City, Bountiful has for the last thirty years transferred money from the power fund to the general fund in order to keep property tax rates as low as possible and to provide a return on assets to the citizens of this City for the operation of an electric utility. Virtually all public power cities (those with their own municipal power departments) transfer funds from the power fund to the general fund. This includes thousands of cities across the nation, ranging in size from Los Angeles, CA; Austin, TX; Seattle, WA; and Mesa, AZ; to cities as small as Spanish Fork, Kaysville and Meadow, UT. In fact, state law provides the mechanism to accomplish the transfer of those funds. All of the funds transferred to the general fund pay for operation of general governmental activities, which are primarily fire, police and streets.

As the attached charts indicate, even with the increase in power rates, Bountiful's power rates will still be below Rocky Mountain Power's projected rates, and are still among the lowest in the state of Utah. The transfer of money from the power fund to the general fund also provides a way to recoup the cost of providing municipal services to tax-exempt properties that pay neither income nor property tax. It also provides a mechanism to keep property taxes low by having

large commercial consumers provide a larger amount of revenue, while providing relief to small consumers such as those who live in apartments and smaller homes, and therefore have lower power consumption.

CONCLUSION

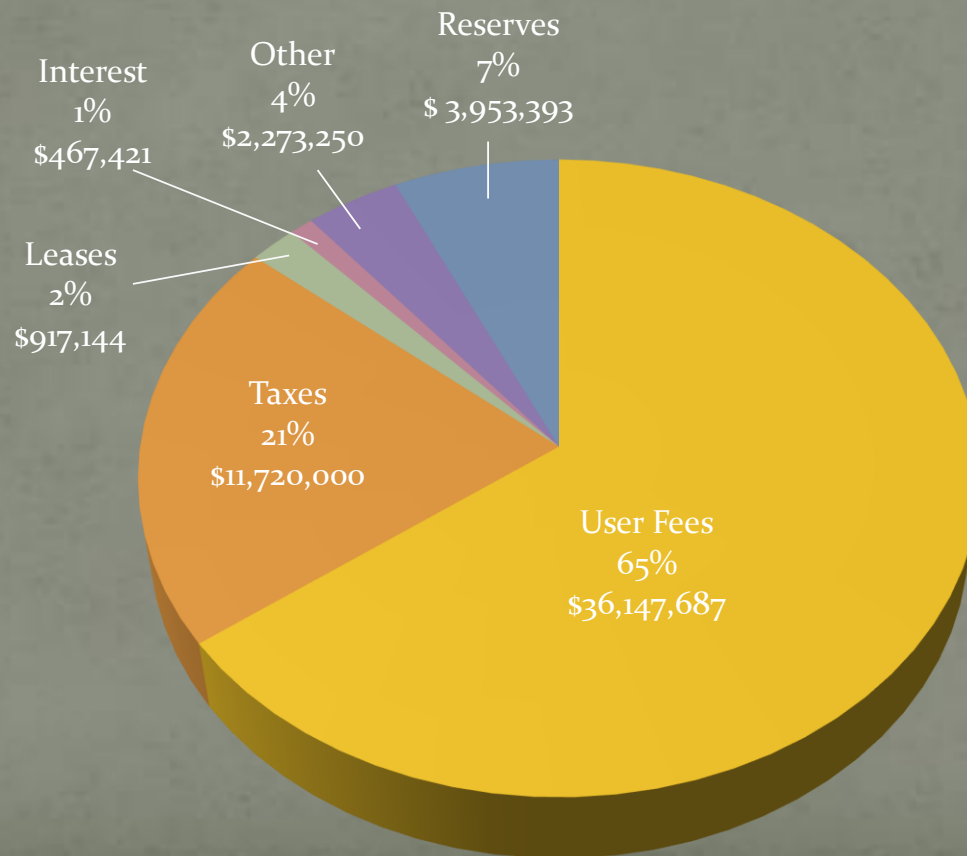
Bountiful's 2010-11 budget is balanced with regard to revenues and expenses. It provides the reductions necessary to keep the City on a sustainable path for the next fiscal year, and continues to provide funding to deliver quality services to citizens and maintain the public infrastructure of the City. The 2010-11 budget provides the funding necessary to deliver to the citizens safe and reliable public safety services, street maintenance, parks, recreation, water, power, snow removal and other services, while at the same time keeping Bountiful's taxes, fees, charges and rates the lowest of any community in the state of Utah. As the "City of Beautiful Homes and Gardens," Bountiful will continue to be an outstanding city in which to live, to raise families, to do business and to recreate. We look forward to the council's approval of the 2010-11 fiscal year budget which will begin July 1, and pledge to be wise stewards of the public funds and city assets contained in this budget.



Bountiful City
2010-2011 Fiscal Year Budget

2010-2011 BUDGET

Where The Money Comes From

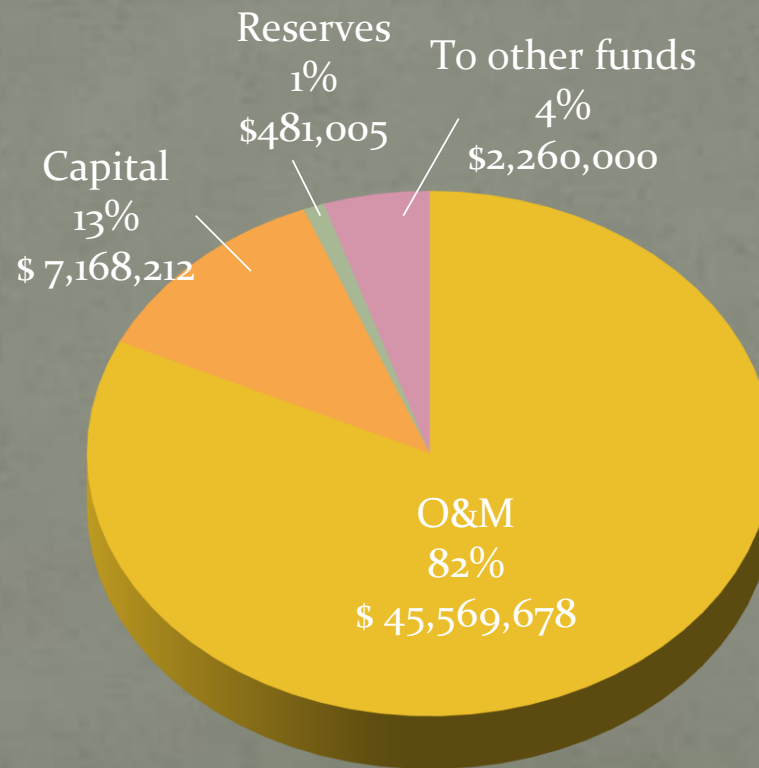


2010-2011 BUDGET -- Where The Money Comes From

FUND	User Fees	Taxes	Leases	Interest	Reserves	Other	TOTAL
General	\$ 2,242,391	\$ 9,720,000	\$ 273,000	\$ 95,000	\$ 0	\$ 2,215,000	\$ 14,545,391
Capital	\$ 0	\$ 1,700,000	\$ 0	\$ 165,000	\$ 0	\$ 0	\$ 1,865,000
Debt Service & MBA	\$ 271,000	\$ 0	\$ 613,744	\$ 9,000	\$ 103,975	\$ 0	\$ 997,719
GOVERNMENTAL FUNDS TOTAL	\$ 2,513,391	\$11,420,000	\$ 886,744	\$ 269,000	\$ 103,975	\$ 2,215,806	\$17,408,110
% OF BUDGET	14%	66%	5%	2%	0%	13%	100%
Recycling	\$ 440,335	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 440,335
Storm Water	\$ 890,725	\$ 0	\$ 0	\$ 7,200	\$ 0	\$ 2,000	\$ 899,925
Water	\$ 2,977,636	\$ 0	\$ 0	\$ 18,100	\$ 0	\$ 0	\$ 2,995,736
Power	\$ 25,371,522	\$ 0	\$ 0	\$ 39,514	\$ 2,951,322	\$ 55,000	\$ 28,417,358
Golf Course	\$ 1,428,500	\$ 0	\$ 26,500	\$ 14,500	\$ 0	\$ 0	\$ 1,469,500
Landfill	\$ 881,500	\$ 0	\$ 0	\$ 70,000	\$ 489,338	\$ 0	\$ 1,440,838
Sanitation	\$ 847,611	\$ 0	\$ 0	\$ 11,000	\$ 76,497	\$ 0	\$ 935,108
Cemetery	\$ 287,100	\$ 0	\$ 3,900	\$ 8,900	\$ 45,800	\$ 1,250	\$ 346,950
ENTERPRISE FUNDS TOTAL	\$33,124,929	\$ 0	\$ 30,400	\$ 169,214	\$ 3,562,957	\$ 58,250	\$36,945,750
% OF BUDGET	90%	0%	0%	0%	10%	0%	100%
Computer Maintenance	\$ 34,367	\$ 0	\$ 0	\$ 446	\$ 26,137	\$ 0	\$ 60,950
Liability Insurance	\$ 275,000	\$ 0	\$ 0	\$ 21,761	\$ 216,121	\$ 0	\$ 512,882
Worker's Compensation	\$ 200,000	\$ 0	\$ 0	\$ 7,000	\$ 44,203	\$ 0	\$ 251,203
RAP Tax	\$ 0	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,000
INTERNAL SERVICE FUNDS TOTAL	\$ 509,367	\$ 300,000	\$ 0	\$ 29,207	\$ 286,461	\$ 0	\$ 1,125,035
% OF BUDGET	45%	27%	0%	2%	26%	0%	100%
TOTAL – ALL FUNDS	\$36,147,687	\$11,720,000	\$ 917,144	\$ 467,421	\$ 3,953,393	\$ 2,273,250	\$55,478,895
% OF BUDGET	65%	21%	2%	1%	7%	4%	100%

2010-2011 BUDGET

Where The Money Goes



2009-2010 BUDGET -- Where The Money Goes

FUND	O & M	Capital	To Reserves	To Other Funds	TOTAL
General	\$ 14,545,391	\$ 0	\$ 0	\$ 0	\$ 14,545,391
Capital	\$ 0	\$ 1,865,000	\$ 0	\$ 0	\$ 1,865,000
Debt Service & MBA	\$ 0	\$ 997,719	\$ 0	\$ 0	\$ 997,219
GOVERNMENTAL FUNDS TOTAL	\$ 14,545,391	\$ 2,862,719	\$ 0	\$ 0	\$ 17,408,110
% OF BUDGET	84%	16%	0%	0%	100%
Recycling	\$ 440,335	\$ 0	\$ 0	\$ 0	\$ 440,335
Storm Water	\$ 681,513	\$ 195,000	\$ 23,412	\$ 0	\$ 899,925
Water	\$ 2,461,576	\$ 509,560	\$ 24,600	\$ 0	\$ 2,995,736
Power	\$ 23,517,563	\$ 2,357,933	\$ 281,862	\$ 2,260,000	\$ 28,417,358
Golf Course	\$ 1,208,369	\$ 110,000	\$ 151,131	\$ 0	\$ 1,469,500
Landfill	\$ 870,838	\$ 570,000	\$ 0	\$ 0	\$ 1,440,838
Sanitation	\$ 683,108	\$ 252,000	\$ 0	\$ 0	\$ 935,108
Cemetery	\$ 335,950	\$ 11,000	\$ 0	\$ 0	\$ 346,950
ENTERPRISE FUNDS TOTAL	\$ 30,199,252	\$ 4,005,493	\$ 481,005	\$ 2,250,000	\$ 36,945,750
% OF BUDGET	82%	11%	1%	6%	100%
Computer Maintenance	\$ 60,950	\$ 0	\$ 0	\$ 0	\$ 60,950
Liability Insurance	\$ 512,882	\$ 0	\$ 0	\$ 0	\$ 512,882
Worker's Compensation	\$ 251,203	\$ 0	\$ 0	\$ 0	\$ 251,203
RAP Tax	\$ 0	\$ 300,000	\$ 0	\$ 0	\$ 300,000
INTERNAL SERVICE FUNDS TOTAL	\$ 825,035	\$ 300,000	\$ 0	\$ 0	\$ 1,125,035
03% OF BUDGET	73%	27%	0%	0%	100%
TOTAL – ALL FUNDS	\$ 45,569,678	\$ 7,168,212	\$ 481,005	\$ 2,260,000	\$ 55,478,895
% OF BUDGET	82%	13%	1%	4%	100%

2010-2011 BUDGET

2008 Calendar Year Tax Burden for a Bountiful Family

AVERAGE HOUSEHOLD INCOME FOR A JOINT RETURN HOUSEHOLD: \$ 95,591

FEDERAL TAXES	Social Security & Medicare Tax (15.3%)	\$ 14,625	
	Federal Income Tax (11.3% net)	\$ 10,848	
	Federal Gas Tax (18.5¢ / gallon)	\$ 250	
	Total Federal Taxes	\$ 25,723	75%
STATE TAXES	State Income Tax (5%)	\$ 4,500	
	State Sales Tax	\$ 1,175	
	Gasoline & Registration - vehicles	\$ 600	
	Total State Taxes	\$ 6,275	18%
LOCAL TAXES	Property Tax	\$ 1,542	
	Sales Taxes	\$ 475	
	Franchise Taxes	\$ 160	
	Total Local Taxes	\$ 2,177	6%
TOTAL TAXES		\$ 34,175	100%

2010-2011 BUDGET

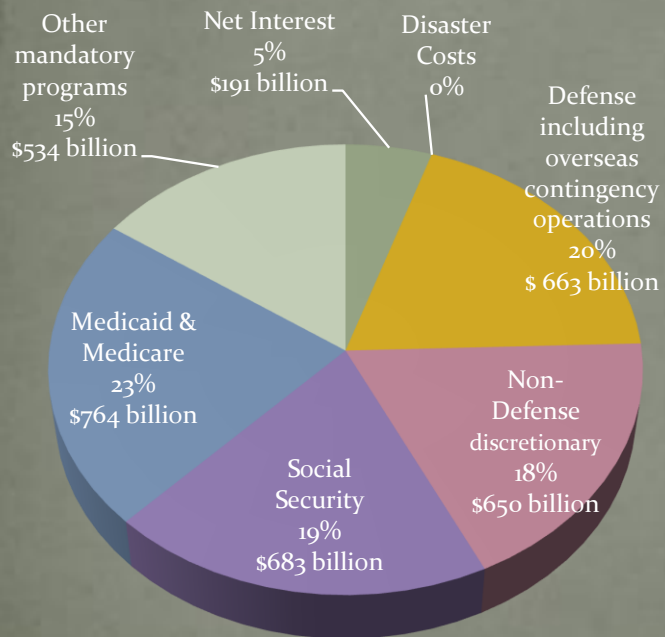
2008 Calendar Year Federal Income Tax Highlights

- Bountiful households (zip code 84010) reported a total of \$1,026,134,672 in Federal Adjusted Gross Income (AGI) in 2008.
- Bountiful residents paid \$112,378,792 in federal income tax in 2008.
- Average AGI per household was \$71,776, and average tax paid per household was \$7,843.
- Average exemptions per household was 2.69.
- Average of married households filing a joint return (8,582) was \$95,591 in household income, paying an average of \$10,848 in income tax.
- Bountiful average AGI per household was higher than both Davis County and the State of Utah.

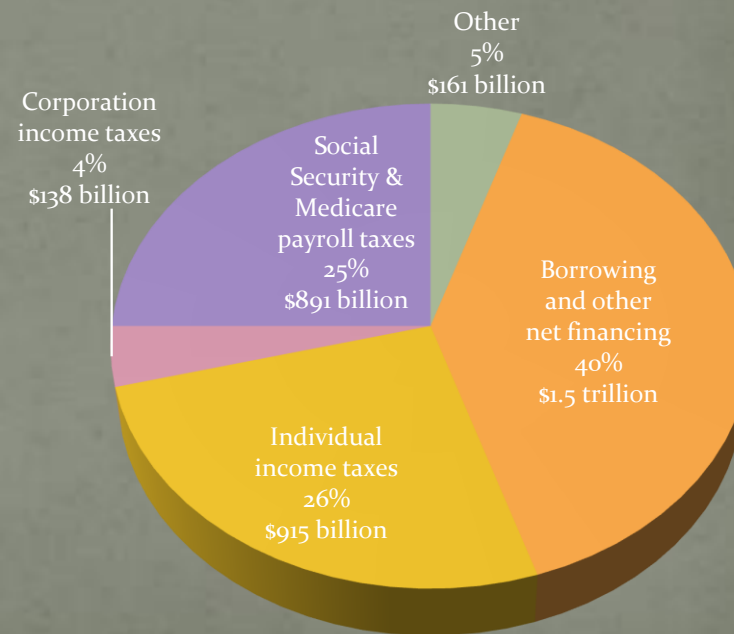
2010-2011 BUDGET

Federal Tax Distribution – 2009 Fiscal Year

Policy Outlays by Category



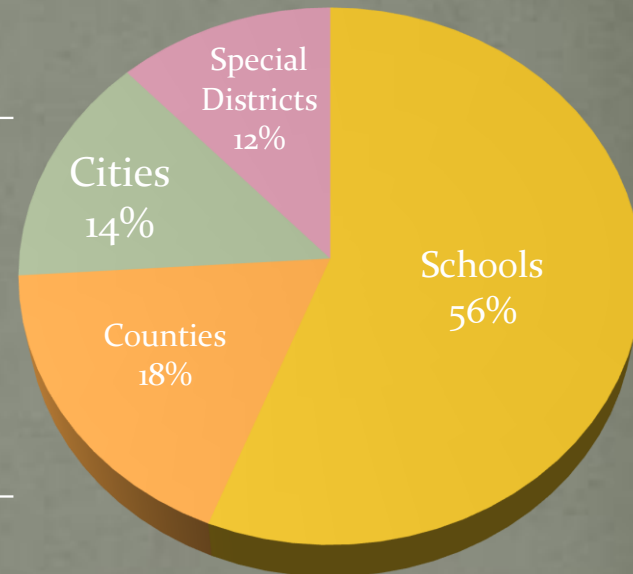
Policy Revenues by Source



2010-2011 BUDGET

State of Utah Average Residential Property Tax

Government Type	Total Revenue	% of Total
Schools	\$ 1,253,000,000	56%
Counties	402,000,000	18%
Cities	322,000,000	14%
Special Districts	257,000,000	12%
TOTALS	\$ 2,234,000,000	100%



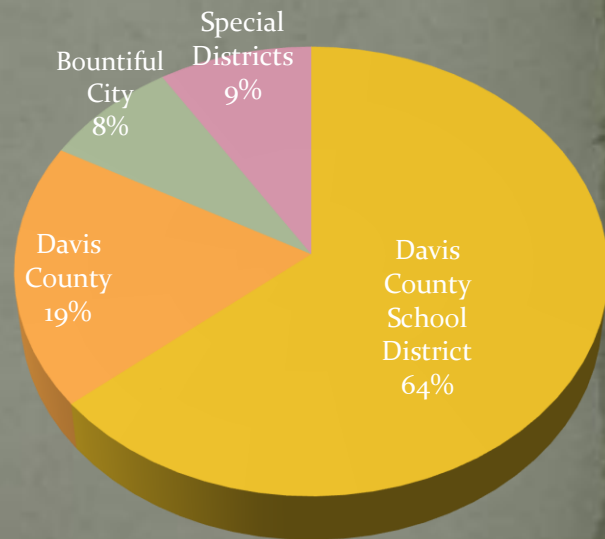
2010-2011 BUDGET

Bountiful/Davis Property Tax on \$250,000 Home

\$ 250,000
 X .45
 \$ 112,500
 \$ 137,500
 X 0.011214
 \$ 1,542

Market Value
 Homeowner's Exemption
 Total Homeowner's Exemption
 Taxable Value
 2009 Certified Tax Rate

Entity	2009 Certified Tax Rate	Distribution	% of Total
Davis County School District	0.007118	\$ 979	64%
Davis County	0.002108	\$ 290	19%
Bountiful City	0.000948	\$ 130	8%
Special Districts	0.00104	\$ 143	9%
<ul style="list-style-type: none"> • Weber Basin • Bountiful Subconservancy • South Davis Recreation • South Davis Sewer • Mosquito Abatement 	0.000188 0.000093 0.000113 0.000290 0.000356		
TOTALS	0.011214	\$ 1,542	100%



2010-2011 BUDGET

2009-10 Property Tax Rates – Utah Cities

City	Tax Rate	Tax Bill on \$250,000 Home	% of Bountiful
SALT LAKE CITY *	0.003896	\$ 539	434%
WEST VALLEY CITY	0.003604	\$ 436	351%
PROVO *	0.001630	\$ 292	235%
OREM	0.001676	\$ 217	175%
WEST JORDAN	0.002080	\$ 249	200%
SANDY	0.001356	\$ 186	143%
LAYTON	0.001876	\$ 258	198%
ST. GEORGE	0.001504	\$ 207	221%
OGDEN	0.003164	\$ 435	345%
TAYLORSVILLE	0.001690	\$ 232	122%
LOGAN *	0.001386	\$ 190	146%
MURRAY *	0.001627	\$ 224	172%
MIDVALE	0.002262	\$ 311	239%
SOUTH JORDAN	0.002028	\$ 279	215%
DRAPER	0.001818	\$ 250	192%
HOLLADAY	0.001533	\$ 211	162%
COTTONWOOD HEIGHTS	0.002399	\$ 330	254%
BRIGHAM CITY *	0.001666	\$ 229	176%
AMERICAN FORK	0.002423	\$ 333	256%
LEHI	0.001789	\$ 246	189%
SOUTH SALT LAKE	0.002665	\$ 366	282%
AVERAGE	0.002099	\$ 289	222%
BOUNTIFUL	0.000948	\$ 130	100%

* DOES NOT INCLUDE LIBRARY LEVY

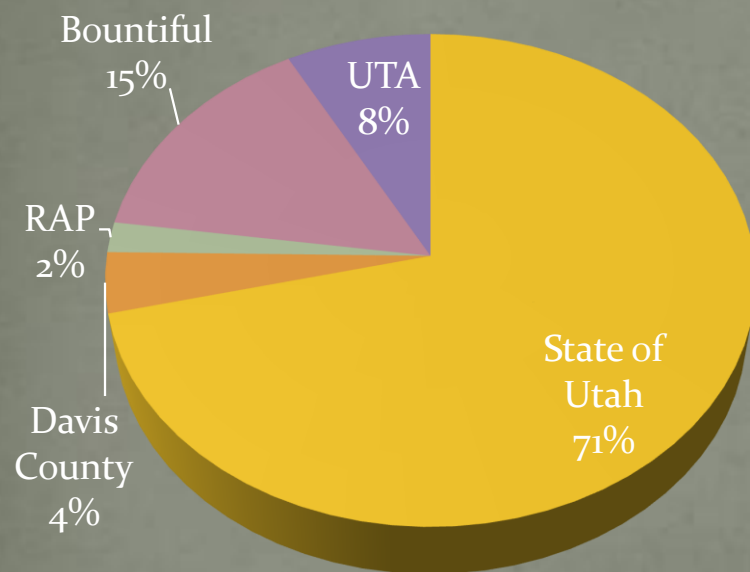
2010-2011 BUDGET

2009-10 Property Tax Rates – Davis County Cities

City	Tax Rate	Tax Bill on a \$250,000 Home	% of Bountiful
CENTERVILLE	0.000997	\$ 137	105%
CLEARFIELD	0.001548	\$ 213	164%
CLINTON	0.001729	\$ 238	183%
FARMINGTON	0.002051	\$ 282	217%
FRUIT HEIGHTS	0.001845	\$ 254	195%
KAYSVILLE	0.000907	\$ 125	96%
LAYTON	0.001876	\$ 258	198%
NORTH SALT LAKE	0.001396	\$ 192	148%
SOUTH WEBER	0.000840	\$ 116	89%
SUNSET	0.001483	\$ 204	157%
SYRACUSE	0.001613	\$ 222	171%
WEST BOUNTIFUL	0.001384	\$ 190	146%
WEST POINT	0.000876	\$ 120	92%
WOODS CROSS	0.000690	\$ 95	73%
AVERAGE	0.001374	\$ 189	145%
BOUNTIFUL	0.000948	\$ 130	100%

2010-2011 BUDGET

Sales Tax Rates



SALES TAX RATE

	<u>Rate</u>	<u>% of Total</u>
State of Utah	4.70%	72%
Bountiful	1.00%	15%
RAP	0.10%	2%
Davis County	0.25%	4%
UTA	0.55%	8%

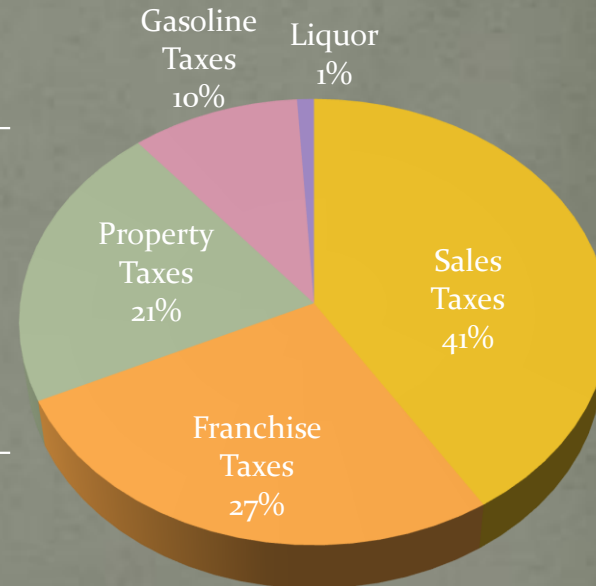
GASOLINE TAX RATE

Per gallon of gas:	Fed. Gov.	18.5¢
	State Gov.	24.5¢
	TOTAL	43.0¢
Distribution:	State of Utah	75%
	Cities & Counties	25%

2010-2011 BUDGET

Tax Revenues

Tax	Amount	Percentage
Sales Taxes	\$ 4,860,000	41%
Franchise Taxes	3,210,000	27%
Property Taxes	2,410,000	21%
Gasoline Taxes	1,200,000	10%
Liquor Taxes	40,000	1%
TOTALS	\$ 11,720,000	100%



2010-2011 BUDGET

Light & Power Fund – 12-year History of Expenses

Year	General Fund Transfer	Generation Expenses
1998-99	\$ 2,130,000	\$ 6,098,000
1999-2000	1,886,000	8,046,000
2000-01	2,119,000	15,102,000
2001-02	1,903,000	16,175,000
2002-03	1,915,000	12,200,000
2003-04	2,019,000	16,175,000
2004-05	2,150,000	13,504,000
2005-06	2,322,000	13,654,000
2006-07	2,428,000	13,599,000
2007-08	2,400,000	14,293,000
2008-09	2,200,000	16,987,000
2009-10	2,200,000	17,544,000
2010-11 (budget)	2,100,000	17,724,000

2010-2011 BUDGET

Residential Customer Electric Consumption

Rocky Mountain Power Rates:

8.98¢	for first 1,000 KWH	May - September
12.13¢	for all KWH over 1,000	May - September
7.70¢	for all KWH	October - April
\$4.00	per month customer charge	
\$6.00	per month customer load charge if KWH consumption exceeds 1,000 KWH for two months.	

2010-2011 BUDGET

Residential Customer Electric Consumption

Month	Consumption	Rocky Mountain Power Bill	Bountiful Bill
January	800	\$ 71.60	\$ 74.48
February	720	65.44	67.43
March	640	59.28	60.38
April	600	56.20	56.86
May	900	90.82	83.29
June	1500	166.45	136.15
July	1800	196.84	162.58
August	1900	208.97	171.39
September	1300	136.19	118.53
October	600	56.20	56.86
November	640	59.28	60.38
December	920	80.84	85.05
TOTALS	12,320	\$1,242.11	\$ 1,133.38

\$108.73, or 8.7% lower with RMP surcharge
 \$ 36.73, or 3.1% lower without RMP surcharge